THE CENTURY AND SILVER.

OUR EXCHANGES AND THE YELLOW PERIL.

BY MORETON FREWEN.

IN attempting to outline the new phase of the Silver Question within the brief limits permitted in this REVIEW, I must claim the extreme indulgence of the reader. For the road we needs must travel is a road that really girdles the Earth, and any elaborate presentation would involve a history of the precious metals, a history too of those legislative changes which by destroying or impairing the mint-demand either for one or for the other metal have tended to upset the equilibrium, or what economists call the "par of exchange," between the two metals. Further it would be necessary to tabulate and compare commodity prices and price variations over long series of years in the West and in the Orient. The objective of this paper will be reached if I show why this controversy has slumbered for half a generation, and why it now demands far more urgently than ever before the consideration of those then in their nurseries, but to-day in their schools, from whose painful experience and developing intelligence a rational solution will yet be secured. I appeal to the youth of America to study carefully a question which, in the doubt and drift of the last thirty years, has deep-seated a disease certainly perilous, perhaps even fatal to our Western civilizations.

Now, what is there about the metal Silver which can justify a statement apparently so extravagant, and how can it be worth the while of the youth at school to devote himself to a section of economic science complex, cryptic, unsettling? The reply is in a small compass. As the gold price of silver rises and falls, so do our exchanges with eight hundred millions of Asiatics rise

and fall. For two thousand years and more, the Asiatic has absorbed silver. His "divine hunger" is for that metal; it represents his labor, his capital, his conditions of work and sacrifice. Thus, when silver and the silver exchanges fall, then for every Asiatic desiring to buy our goods, gold and our gold prices have automatically advanced and his power to purchase from us is proportionately reduced. Since 1896, owing to the metallic inflation of our currencies occasioned by the abundance of the new gold supplies, gold prices (and wages) in the West have been rising with unexampled rapidity, while silver prices and wages in the Orient have slightly receded.* This price condition must of itself greatly contract the purchasing power of the Asiatic from gold-standard countries; but, when to this is added the fact that there has been also an unprecedented fall in the exchange value of his money, a fall of almost thirty per cent. in the past twenty months, is it wonderful that our export trades to Asia should be in a state of collapse and that the "open door" of Asia is now a door that opens only outward? In all the world's history of the two metals there have been two and only two catastrophic falls in the gold value of silver, the present fall dating back to July, 1907, and the almost equally serious and more sudden collapse in June, 1893. Smaller falls than these two have not been infrequent since 1873; and even on such occasions the resulting rise in gold prices (measured by Asiatic currencies) has impaired the purchasing power of the myriad-peopled East, and thus depressed many staple trades upon which the well-being of all trade is built up; but the cosmic falls in the price of silver in 1893-4 and in 1907-8 were followed just as we should expect by acute financial convulsions each of which cut the leaves of a new volume in financial history. It seems but a little matter, this fall of some sixteen cents an ounce in silver bullion, just as to primitive man a tiny crack in the earth's crust must have seemed a little matter; but to-day, whether it is in San Francisco or on Manhattan Island there comes this little fissure, and the vast superimposed structures, whether of concrete or of credit crumble and collapse. At the Brussels Monetary Conference in 1893, Baron Alfred de Rothschild, who represented Great Britain, said:

* V. Blue Book. "Prices and Wages in India," pp. 218–239, 252–253, 147–155, 267–269, 260–261.

"Gentlemen, I need hardly remind you that the stock of silver in the world is estimated at some thousands of millions, and if this Conference breaks up without achieving any definite result there may be a depreciation in the value of that commodity frightful to contemplate, and out of which a monetary panic may eventuate the far-reaching effects of which it is not possible to forecast."

This was the view in February, 1893, of a brilliant cosmopolitan financier. His warning was unheeded and the Conference did adjourn having reached no result whatever. A few weeks later the greatest collapse in the price of silver ever known to history was followed by disasters verily "of far-reaching effect." For every bank in Australia, save one, closed its doors, while one-fourth of the entire railroad mileage of the United States passed into the hands of receivers.

The ability then, to buy our goods on the part of that half of the human family which inhabits Asia depends on the value, in exchange, of their silver money: the greater the fall in silver, the greater the premium they must pay for our gold on every tiny bourse and in every bazaar from the Yellow to the Red Sea. In the past twenty months, silver has fallen sixteen cents per ounce, a further fall of sixteen cents would be a rise of sixty per cent. more in that premium which one-half the race would have to pay for the gold with which it buys the goods of the gold-standard communities.

The fall in silver in 1893 was caused by the closing of the Indian Mints to free coinage; its fall in 1907 was caused by the failure of the monsoon rains in India and the temporary cessation of her exports of soil products. The crisis of 1893 was attributed to the long previous Baring affair, to Goschen's Debt Conversion; the crisis of 1907, to Presidential indiscretions. But the root cause was far different; it was in the stimulus afforded by collapsed exchanges to Oriental exports and the sudden contraction of all that Asia imports. Only thirty-five years ago, the Hongkong exchange on London was four shillings and twopence; to-day it is one and ninepence. Let me translate this statement from its financial vernacular for the man in the street. A few years ago, then, when a Chinaman wanted to buy English cottons, he bought ten sovereigns—that is, a bill of exchange for ten pounds on London, with thirty-one of his silver taels. To-day, while his labor and his products bring him no more taels than in 1873, he

must give seventy-seven taels for this same bill of exchange for ten pounds. Is it any wonder then that notwithstanding the splendid efficiency of the American railroad service to the Pacific and America's lines of well-equipped steamships, yet American exports to the Orient languish—so that San Francisco and Seattle, Portland and Vancouver, which should be emporiums for a vast growing trade with Asia, must content themselves with a mere coastwise business. Such then is the position; to each fresh fall in silver as by an electric contact the manufacturing activities of Asia respond; we have seen the mills in Bombay and on the Hugli, the boot-mills of Cawnpore, a thousand scattered factories throughout China and Japan fostered into profitable life by lower and ever lower exchanges. It is not too much to affirm that in thirty years England has seen the entire character of her trade with Asia revolutionized. The houses of her great merchant princes who formerly imported into Asia the fabrics of England and of Europe are largely in liquidation or have now become exporters instead of importers.

So long ago as 1894 Mr. W. S. Wetmore—at that time, I believe the President of the Shanghai Chamber of Commerce—assured me that the importing merchants in the Far East were at the extreme end of their tether. "You will hear no more from us," he said, "as to the race danger of low exchanges. We have done our best to enlighten you and we have failed; now we must devote our energies to exporting and thus recoup ourselves for the terrible losses of the last fifteen years." I hope as exporters these good men of our own race have since done well. Indeed, how could it be otherwise? In 1873, the sovereign was worth in exchange with China about three taels, and three taels then paid for one day the wages of twenty-five Chinamen; but now the sovereign is worth nearly eight taels, and wages being no higher, the sovereign exchanged into the currency of China now pays the wages for one day of sixty Chinamen. Is there any doubt that American capitalist Captains of Industry will, in the next few years, take advantage of such exchange conditions? It is well known that in the Chinese Province of Shansi there are vast beds of coal and iron ore as in Alabama in close proximity; that region is an ant-heap of willing unorganized labor, which will be as potter's clay to the hand of a modern Trust. What a slender barrier even the Dingley

tariff interposes to the menace of such a competition backed by such exchange rates! To-day China, happily slow to adapt herself, appears to be waiting for some advance in exchange which will permit her to buy from America a railway equipment; her demand is, as it were, dammed back by the break in exchange, but it requires little imagination to foresee that the day is near when the United States Steel Corporation will be a great exporter even to American shores of rails rolled in their own mills in Shansi. In sight, even in 1893, of the race peril confronting us, Senator Jones of Nevada declared at Brussels of the legislation which had brought the exchanges to this pass:

> "If this step was taken without full appreciation of the results that were to follow, it was a piece of delirious folly; if with full consciousness of the consequences it was nothing less than an act of treason against the race."

Senator Allison was the Chairman of the United States delegation at Brussels in 1893. In a generation often frantic, headlong and hysterical, the Iowa Senator preserved his poise and carefully weighed the word whether written or spoken. A few weeks before his death, he wrote me, and for publication when the proper opportunity offered, what was destined to be his last word on silver. He said:

> "Certain it is that there has been a great advance in gold prices in both countries [Great Britain and the United States], whilst commodities measured in silver in the East remained stable. It would seem that a corrective can be applied in both instances, thus creating stability of exchange. Elaborate your views in this regard with your own people, and it may be that the United States will be in a position ere long to co-operate. I wish you could find time to communicate with Senator Teller, who is wise on these topics."

Such, briefly outlined, is the financial derangement which to-day we call the Silver Question. With every fresh advance of gold prices, this derangement enlarges its area; and those of us who are students of price conditions believe that to-day we are only in the initial stages of this great advance in prices and that in view of the immense and increasing annual supplies of new gold from the mines, the coming depreciation of gold will be the striking economic feature of the next fifty years. I was present, in 1894, at a small informal dinner in London, given by Sir William Houldsworth for the late Professor Francis A. Walker of

Boston, an economist whose writings have now a greater formative influence than those of any teacher since John Stuart Mill. Professor Walker, when asked for a short statement of his views on this exchange problem, amazed us by the evidence of his overmastering anxiety as to breakers ahead. We who were present have since come to see that his prescient warning was no whit too emphatic. This eminent economist, whose works on Money and Wages are to-day classics in seven languages, held up to us as the spectre of the real yellow peril Chinese cheap labor, equipped with cheap silver. Professor Walker concluded:

"I recognize in this silver issue no mere problem in finance; I believe that with its right settlement is bound up the very progress of civilization in the Western nations."

It was a late Speaker of the House of Representatives who crystallized that warning in an admirable phrase. "May not," said Mr. Reed, "the yellow man with the white money cut the throat of the white man with the yellow money?"

I recall that, in 1896, when Japan was still a silver-standard country, the British Consul-General in Hakodate furnished to his Government the following facts. Hakodate, a few years earlier had put in a system of water-mains and had purchased English iron pipes at four guineas per ton. At the then exchange this price per ton was twenty-eight dollars. In 1894 Hakodate required for extensions another 1,500 tons which the same English firm tendered for at four pounds per ton; but in the interval silver had fallen so considerably that now the cost per ton in exchange was forty dollars. In other words, it required nearly forty per cent. more of Hakodate's money to purchase five per cent. less gold. Under these circumstances, Hakodate instead of buying English pipes erected an iron foundry, and when last heard from was exporting pipes to China and India. In view of this incident at Hakodate, and doubtless the spectacle of a thousand more such industrial creations under their own eyes claiming the unquestioned paternity of cheaper silver, the Yokohama Chamber of Commerce on May 15th, 1894, addressed an important memorial to the London Chamber. It concludes:

"Every month of delay in monetary reform does not only a temporary, but a permanent injury to the trade of all countries having a gold standard, as though the eventual righting of the silver question may check the further establishment of mills in Japan and China, those already

erected will remain keen competitors of the mills and factories of Lancashire and the West, and there will be great difficulty in ever getting back again the trade now being diverted.

"Already, under the influence of cheap silver, a large proportion of the trade east of the Suez Canal is finding for itself new channels which will gradually be closed to Western competition, and we foresee that further persistence in the present monetary policy of Great Britain must entail an injury to the manufactures and industries of the West, the extent of which is incalculable."

Of the fall in silver, and the subsequent mushroom growth of the cotton-mills of Bombay, the Manchester Chamber of Commerce had already declared in December, 1888:

"We are led to the conclusion that the principal cause which has enabled the Bombay spinners to supersede those of Lancashire in exporting yarn to China and Japan is the great fall in Eastern exchange since 1873. . . . It appears that the geographical advantage enjoyed by the Bombay spinner has been lessening, while his power to compete with Lancashire has been increasing."

Quotations such as these are tedious, and can hardly be necessary at this late date. Enough to say that a fall in silver is but another expression for a rise in the gold premium throughout Asia. New York's merchants when exporting to Mexico, Brazil and the Argentine know by costly experience the embarrassment of a jump in the gold premium with those customers.

I now come to the reason why the initiative in this issue may be more hopefully anticipated at Washington than at Westminster. In the first place, the policy of cheapness at any price is part and parcel of that sweating system we call Free Trade, and as to which British illusions even to-day are not wholly dispelled. Cheap silver, let us admit—that is, lower exchange with India, China and the Straits—has given us "cheap" wheat, cotton, silk, jute, tea, tin and indigo, besides numerous cheaply manufactured products. Where these exports come from India, it is at least arguable that three hundred millions of British wards profit by the fall in the exchange value of the rupee; the Indian obtains more rupees for less gold, and the purchasing power of the rupee is at least as great as ever. But by tradition and by interest America has walked no step down that road to cheapness. Let us examine her record.

Immediately on the resumption of specie payments, America

became alarmed at a growing divergence in the values of the two precious metals, hitherto unknown in their history. Accordingly, in 1878, Congress passed an Act requiring the Executive to invite an International Conference to assemble in Paris. The attitude of the United States was embodied by the American delegates in the following proposition:

"It is the opinion of this Assembly that it is not to be desired that silver should be excluded from free coinage in Europe and the United States of America; on the contrary the Assembly believes that it is desirable that the unrestricted coinage of silver and its use as money of unlimited legal-tender should be retained where they exist and as far as practicable be restored where they have ceased to exist."

In 1881 a second Conference was called upon the initiative of the two great Republics. Their joint declaration reads:

"The depreciation and great fluctuations in the value of silver relatively to gold which of late years have shown themselves, and which continue to exist, have been and are injurious to commerce and to the general prosperity, and the establishment of a fixed relation of value between silver and gold would produce most important benefits to the commerce of the world."

Again, in 1893 it was Mr. Blaine who sent out the invitations for the Monetary Conference which assembled in Brussels.

In 1894, in the debate on the repeal of the Sherman Silver Purchase Act, Senator Don Cameron, of Pennsylvania, was able to declare that "from the beginning to the end of this long debate not one voice in either House of Congress has been raised in defence of a monometallic gold currency." In 1895, the following cable, drafted by Senators Hoar and Allison was entrusted to me to despatch to London:

"*The Lord Mayor of London, The Mansion House, London.*

"We desire to express our cordial sympathy with the movement to promote the restoration of silver by international agreement, in aid of which we understand a meeting is to be held to-day under your Lordship's presidency. We believe that the free coinage of both gold and silver by international agreement at a fixed ratio would secure to mankind the blessing of a sufficient volume of metallic money and, what is hardly less important, secure to the world of trade immunity from violent exchange fluctuations.

"(Signed) John Sherman, W. B. Allison, D. W. Voorhees, George F. Hoar, Nelson W. Aldrich, William Frye, C. K. Davis, William Cullom, Henry Cabot Lodge, Calvin S. Brice, O. H. Platt, A. P. Gorman, Edward Murphy, David B. Hill."

The signatures are of those Senators only who had been active in repealing the Sherman Act the previous year. No one else was invited to sign; only one Senator, Mr. Vilas, refused.

In 1896, free coinage at one to sixteen having been defeated, Mr. McKinley immediately after his inauguration despatched the Wolcott Commission to Europe. When the real history of that Commission's work is examined, it will be found that, having surmounted every anticipated obstacle, it just succumbed at the very last moment to the amazing and wholly unexpected opposition of the Calcutta Executive. An international proposal supported by the Governments of the United States, Great Britain and France, a proposal which each successive Government in India had waited for in labor and sorrow for thirty years, was done to death in a despatch which we read between laughter and tears, signed "Elgin, George White, James Westland." There was, however, one correct and noteworthy admission in all this egregious document. The signatories declared, of the advance in silver which the proposed international agreement was designed to bring about, that *"the rise in exchange would kill our export trades."*

And there is an added reason of great historical interest why the United States should come to the defence of Christendom and rehabilitate the exchange. But for a bill passed by Congress in 1873 there would probably never have been a Silver Question. Very briefly outlined, the currency position in 1873 was this: Great Britain had a single currency of gold, and was, and to-day is, the only free gold market in the world—the only country that pays gold on demand. That other vast annex of the British Empire, India, "the sink of silver," had a single silver currency, while France with mints open to receive impartially either gold or silver (her ratio being one to fifteen and a half), had for long acted as the world money-changer. This accidental structure, for apparently it was quite accidental, this exchange tripod each leg as necessary as its fellow, secured stability of exchange between Asia and South America on the one hand and Europe and North America on the other. By the light of what we have lost we can to-day estimate the infinite importance of exchanges so fixed. I have come to see that England's so-called monometallism, her gold currency and free gold market in the West, her "silver sink" in the East, was quite as essential to the perfect

exchange mechanism as was the free mintage of both the metals by France. We may as well endeavor to decide which is more important in an engine, the fly-wheel or the piston. It is vital to any future settlement that we should recognize what England did, because it has been the jealousy of Great Britain's single gold currency (and it is fair to add the extravagant and ignorant language of those who have spoken for her) which have prevented in the past and may again prevent an *entente.* We bimetallists, and it is a wise and proper policy to admit it, have been mistaken. We have attached too great an importance to the open mint of France, too little to the enormous silver subscription afforded by the open mint in India and the free gold market in London. By the light of the disastrous collapse in 1893 which followed in twenty-four hours the closing of the Indian mints, we are now able to see that the prerogative of free coinage in India accounted for fully twenty-five per cent. of the gold price of silver. But for Great Britain and India then, French "bimetallism" which survived extreme fluctuations in the supply of the two metals for a hundred years, was at no time worth five years' purchase. Look closely at the perfect operation of the triangular exchange mechanism in London, Paris, Bombay before 1874, and its equilibratory action becomes clear. England was in effect just as "bimetallic" as France. The Paris mint being open equally to the merchant of London or the merchant of Lyons, thither repaired the London merchant who in trading with India, China, Chile, wished to change any fifteen and a half ounces or tons of silver for its gold equivalent. But it is easy to conceive conditions of supply which might have so saturated with silver the currency and reserves of France as to exhaust all her gold. How, then, did France replenish her gold reserves? The reply is that, through the intermediary of her own or British merchants, she threw her silver into Asia let us say into Bombay, and there exchanged it against India's staple exports which, billed to London, were a draft on the free gold market of the Bank of England. Thus any fifteen and a half ounces of silver carried to the French mint was, by way of Bombay, a demand draft on the Bank of England for an ounce of gold. It is hardly possible to conceive conditions which could permanently impair the perfect operation of this exchange triangle. How, then, did it break down? France, it may be admitted, was the culprit.

She closed her mints to silver in 1874; India continued her bimetallic subscription, namely, free coinage, until 1893; Great Britain quite superfluously still remains a free market for gold. Why she continues her subscription to a club which has long since closed its doors, and thus exposes her traders to vast frequent changes in her bank rate, her mandarins may explain. Perhaps high discount rates are profitable to her bankers. We may recall the official reply to Lockhart who when in China expressed surprise at the malformation of the smart ladies' feet. The mandarin replied that many respectable old women gain a livelihood by binding feet.

Such was the position of silver in 1873, when Germany, flushed with the successes of war, richer by a war indemnity of a thousand million dollars, proposed to throw her entire currency which was of silver on the French mints and exchange it for gold. It is possible that France may have been really alarmed as to her ability to carry through an exchange operation so unprecedented, at a time too when the annual yield of gold from the mines was less than one-quarter of our present supplies. But French statesmen have since declared that it was the demonetization of silver at that supreme moment by Congress at Washington which was for France the deciding factor in her abandonment of silver.

A short digression is now necessary to explain what it was that had taken place at Washington, and from what legislation there the Silver Question really dates. Silver, its free coinage and unlimited legal-tender, was provided for in the Constitution. Alexander Hamilton's consideration of this complex question was exhaustive, and evidenced as we should expect a master mind. He had, however at one to fifteen fixed the relation of silver to gold too high. At this rating, silver was worth three per cent. more at the American than at the French mint, and thus silver stayed in America and gold went to Paris. At that time, however, a merely theoretical objection attached to this, seeing that, as a legacy of the long wars, Great Britain, France and the thirteen revolted Colonies were all employing currencies of depreciated paper. But by 1834 the position had greatly altered; and to prevent the wholesale exportation of the American silver currency and the substitution of French gold Congress altered the ratio from one to fifteen to one to sixteen, and this, not by rais-

ing the amount of silver in the silver dollar, but by reducing the grains of gold in the gold dollar. At this rating, the position was reversed; now no one would bring silver to the American mint when by taking it to Paris he could exchange it for three per cent. more gold. So that at one to sixteen American bimetallism was merely a pious opinion, and all America's silver product was exported. Yet the moral effect must have been very great. The youthful giant was growing up to man's estate, and France knew well that if ever her very profitable task as the world's money-changer became difficult from any cause, such as Germany's wholesale demonetization of silver, she had only to slip back from her fifteen and one-half rating to America's sixteen to one, share with America the mint *agio,* and her potential of exchange would be at once doubled or trebled.

My reader of to-day must be very young if he retains no memory of the Presidential campaign of 1896. The proposal then defeated was nothing more and nothing less than to reverse an Act passed by Congress in 1873, and to restore the *status quo ante.* That was all. The constitutional prerogative of silver had been rescinded in 1873 without putting in motion the machinery required to amend the Constitution. Should it be restored? I am not concerned with the furious contention whether the United States could hold the scales evenly as France had previously held them. From the experience of June, 1893, it appeared that the divergence in the gold price of silver, with a mint open in India and a mint closed in India, was twenty-seven per cent.; so that, if the India mint had reopened in 1896, silver then thirty pence per ounce might advance to thirty-eight pence. If again supplementing India's free coinage the United States reopened its mints at one to sixteen, would that added demand for silver raise the gold price to fifty-eight pence? As to this query, I express no opinion; the issue is dead and can know in that form no resurrection. It is enough to say that high economic authority could be cited in support of either view.

But especial reasons there were why the Demonetization Act of 1873 should be reviewed, and perhaps revised. By the light of the political pyrotechnics of 1896, we know what the outcry would be if to-morrow morning the nation awakened to find that into the wordy preamble of a River and Harbor Appropriation Bill a clause had been smuggled through admitting silver

to free coinage. Yet precisely of this nature was the Demonetization Act of 1873. The American nation was no party to the change in the money of the Constitution; this vastly important change, incredible as it may seem, was not merely never debated, but it depends upon the punctuation of a sentence in an amendment to a Bill introduced by a highly respected member, Mr. Kelly, of New York—a Bill to codify the various mint laws for the public convenience. The fact must be borne in mind that the national currency at that time was inconvertible paper and that the premium on gold and silver was still sufficient to debar both metals from the mints. Such being the position, members of Congress and the public were not wide awake as to the future results of tampering with the currency laws. But the dawn of specie payments was at hand, and the prerogative of silver in the Constitution would not only have made that painful but necessary operation, Resumption, much easier, but would have given French statesmen entire confidence during that crisis which was about to require all their courage.

We first find a Bill introduced in 1872 by Mr. Kelly to codify the mint laws. A little later, this Bill being in the Senate, is amended. Section 16 of the amended Bill reads as follows:

> "The silver coins of the United States shall be a dollar, a half-dollar, a quarter-dollar and dime; and the weight of the dollar shall be 384 grains, the half-dollar, quarter-dollar and dime shall be, respectively, one-half, one-quarter and one-tenth of the weight of the said dollar, which coins shall be a legal-tender at their nominal value for any amount not exceeding five dollars in any one payment."

Thus, with a full stop in place of a comma after "384 grains," the money of the Constitution would to-day be the money of the Constitution still, the silver dollar an unlimited legal-tender, but its divisions mere fractional currency. The professed purpose of the Senate amendment appears to have been to assimilate the American ratio, one to sixteen, with that of France, one to fifteen and a half. Senator Sherman said:

> "The Bill proposes a silver coinage exactly the same as the French, . . . and in order to show this, wherever our silver coin shall float and we are providing that it shall float all over the world, we propose to stamp upon it instead of our eagle the fineness and weight of the coin."

Observe that Senator Sherman uses the words "proposes a silver *coinage* exactly the same as the French." To his auditors

this inevitably conveyed "a coinage of silver exactly the same as the French," and France had enjoyed the free coinage of silver for a hundred years. The nation was to discover, a little later, to its amazement, that this dollar which was to "float all over the world" was not even to be recognized as "honest money" at home; that it might neither pay debts nor taxes, nor go on deposit at a bank, and that its user violated every contract which called for legal-tender money. The genesis of this blunder who can say. The Forty-fourth Congress of the United States must have been quite in the twilight as to the whole question of silver and was thus a careless guardian of the Constitution. To advance any other view would be to reflect upon the intelligence or the probity of heroes in the American Valhalla.

Grant was President; eight months after he had signed an Act forever excluding silver from the mints, we find him writing to his friend, Mr. Cowdrey:

> "I wonder that silver is not already coming into the market to supply the deficiency in the circulating medium. When it does come, and I predict that it will soon, we shall have made a rapid stride toward specie payments. . . . Silver will have become the standard of value."

General (afterwards President) Garfield said at Springfield:

> "Perhaps I ought to be ashamed to say so, but the truth is that I . . . never read the Bill."

Senator Beck, of Kentucky, from whom, in 1880, the writer first heard this strange story of silver, said:

> "What I complain of is that this House never knew what was in the Bill."

Senator Allison, of Iowa, said:

> "When the secret history of this Bill comes to be told, it will disclose the fact that the House intended to coin both gold and silver, and intended to place both metals upon the French relation instead of our own."

Senator Voorhees, of Indiana, after declaring that he had no idea, when voting for the Bill, that it in any way affected the legal-tender status of silver, appealed to Senator Blaine:

> "Did he know as Speaker of the House that the silver dollar was demonetized in the Bill?"

To which Senator Blaine made answer:

"I did not know anything that was in the Bill."

Mr. Holman, of Indiana, said:

"I have before me the record of the proceedings of this House on the passage of that Bill—a record which no man can read without being convinced that the measure and the method of its passage through the House was a colossal swindle. I assert that the measure never had the sanction of the House and does not possess the moral force of law."

Mr. Bright, of Tennessee, said:

"The Bill passed by fraud in the House, never having been printed in advance. It was passed under such circumstances that the fraud escaped the attention of some of the most watchful as well as the ablest statesmen in Congress."

Finally, let me quote Mr. Kelly, the father of the original measure thus strangely mishandled; Mr. Kelly said:

"I wish, gentlemen, to know what the Bill was; it was a Bill to reorganize the Mints, and it was passed without allusion in debate to the question of the retention or abandonment of the standard silver dollar. I was the Chairman of the Committee that reported the original Bill, and I aver upon my honor that I did not know that it proposed to drop the dollar. . . . The Committee on Coinage, who reported the original Bill, were faithful and able and scanned its provisions closely. As their organ, I reported it. Never having heard till long after its enactment of the substitution in the Senate of this section which dropped the standard dollar, I know nothing of its history. But I am prepared to say that in all the legislation of this country there is no mystery equal to the demonetization of the silver dollar of the United States. I have never found a man who could tell how it came about or why."

"In all the legislation of this country, there is no mystery equal to the demonetization of the Standard Dollar." Such is the verdict of the Chairman of the House Committee on his own Bill which demonetized the dollar, and which is chiefly responsible for a Silver Question all over the world. I may take occasion, later, to suggest such remedial legislation as would raise our rates with Asia, and, at the same time, strengthen and entrench the Gold Standard in the West.

MORETON FREWEN.